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3 AAC is amended by adding new sections to read:

Chapter 175. Temporary Fiscal Relief for Municipalities, Unincorporated Communities, and Volunteer Fire Departments Serving an Area Not in an Organized Municipality.

## Section

- 10. Applicability
- 20. Eligibility requirements
- 30. Calculation of temporary relief allocations
- 40. Department determination and distribution of money
- 50. Use of money
- 60. Reconsideration process
- 900. Definitions
- 3 AAC 175.010. Applicability. This chapter applies, subject to available funding, to the annual allocation and distribution by the department of money for temporary fiscal relief that the state receives from the federal government under 42 U.S.C. 801 (Social Security Act, as amended by P.L. 108-27, title IV, sec. 401(b) (Jobs and Growth Tax Relief Reconciliation Act of 2003)), to eligible
  - (1) municipalities;
  - (2) unincorporated communities; and
  - (3) volunteer fire departments serving an area not in an organized municipality.

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(Eff. \_\_\_/\_\_\_/2003, Register 167)

Authority:

AS 44.33.020

3 AAC 175.020. Eligibility requirements. To be eligible to receive an allocation, subject to available funding, from money received under 42 U.S.C. 801 (Social Security Act, as amended by P.L. 108-27, title IV, sec. 401(b) (Jobs and Growth Tax Relief Reconciliation Act of 2003)),

# (1) a municipality

- (A) must have been determined by the department to have been eligible for money under applicable provisions of AS 29.60.010 29.60.375 and 3 AAC 130 for state fiscal year 2004, and denied that money due to the absence of available funding;
  - (B) must submit to the department a copy of the municipality's budget
  - (i) for the municipal fiscal year in which the allocation is to be made; and
    - (ii) that is approved by the municipality's governing body;
- (C) that is a borough, unified municipality, home rule city, or first class city must file with the department a copy of that municipality's audit for that municipality's second fiscal year preceding the municipal fiscal year in which the allocation is to be made; and
- (D) that is a second class city must file with the department a copy of that city's audit or certified statement of annual income and expenditures for that city's second

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fiscal year preceding the city fiscal year in which the allocation is to be made;

- (2) an unincorporated community must
- (A) have been determined by the department to have been eligible for money under applicable provisions of AS 29.60.100, AS 29.60.140 29.60.310, and 3 AAC 130 for state fiscal year 2004, and denied that money due to the absence of available funding; and
- (B) submit to the department, on a form provided by the department, a budget for the proposed use of the allocation; and
- (3) a volunteer fire department serving an area not in an organized municipality must
  - (A) have been determined by the department to have been eligible for money under applicable provisions of AS 29.60.130(a), AS 29.60.160 29.60.310, and 3 AAC 130 for state fiscal year 2004, and denied that money due to the absence of available funding; and
  - (B) submit to the department, on a form provided by the department, a budget for the proposed use of the allocation. (Eff. \_\_/\_\_/2003, Register 167)

    Authority: AS 44.33.020
- 3 AAC 175.030. Calculation of temporary relief allocations. As follows, the department will fully allocate, subject to available funding, money received under 42 U.S.C. 801 (Social Security Act, as amended by P.L. 108-27, title IV, sec. 401(b) (Jobs and Growth Tax

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Relief Reconciliation Act of 2003)) among municipalities, unincorporated communities, and volunteer fire departments serving an area not in an organized municipality that are eligible under 3 AAC 175.020:

- (1) the department will allocate \$3,500 to each eligible unincorporated community;
- (2) the department will allocate to each eligible volunteer fire department serving an area not in an organized municipality a sum for protection purposes equal to \$1.50 per capita for the population served by the fire department, as determined under AS 29.60.130(a);
  - (3) after making allocations under (1) and (2) of this section, the department will (A) allocate remaining money to each eligible municipality in proportion to each municipality's share of the total payments made in state fiscal year 2003 under AS 29.60.010 – 29.60.375; and
  - (B) make a minimum allocation of \$40,000 to each eligible municipality under this paragraph; the department will reduce payments determined under (A) of this paragraph on a pro rata basis if necessary to allocate the minimum amount to each municipality. (Eff. \_\_/\_\_/2003, Register 167)

Authority: AS 44.33.020

3 AAC 175.040. Department determination and distribution of money. The department will notify in writing each municipality, unincorporated community, and volunteer fire department serving an area not in an organized municipality of the department's

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determination regarding that entity's eligibility for money under this chapter and the amount of any money allocated to that entity. Subject to available funding and the review of any request for reconsideration made under 3 AAC 175.060, the department will distribute money allocated under 3 AAC 175.030 as soon as possible within the state fiscal year in which the department receives money under 42 U.S.C. 801 (Social Security Act, as amended by P.L. 108-27, title IV, sec. 401(b) (Jobs and Growth Tax Relief Reconciliation Act of 2003)). (Eff. \_\_\_/\_\_/2003, Register 167)

Authority:

AS 44.33.020

3 AAC 175.050. Use of money. A distribution received under this chapter by a municipality, unincorporated community, or volunteer fire department serving an area not in an organized municipality may be used for any purpose authorized by law for which the municipality, unincorporated community, or volunteer fire department otherwise has the power to expend money. (Eff. \_\_\_/\_\_/2003, Register 167)

Authority:

AS 44.33.020

3 AAC 175.060. Reconsideration process. (a) A municipality, an unincorporated community, or a volunteer fire department serving an area not in an organized municipality may submit to the commissioner a request for reconsideration of a department determination or allocation under this chapter. The request for reconsideration must be in writing and must be submitted within 10 days after the municipality, unincorporated community, or fire department

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receives notice of the decision. The request for reconsideration must include relevant evidence and authorities in support of the municipality's, unincorporated community's, or fire department's claim.

(b) Within 10 days after a request for reconsideration is received, the commissioner will provide written notice to the municipality, unincorporated community, or fire department of the reconsideration decision. As part of the reconsideration decision, the commissioner will include a written statement of the decision and the reasons for it. The commissioner's decision on a request for reconsideration is final for purposes of judicial review. (Eff. \_\_/\_\_/2003, Register 167)

## 3 AAC 175.900. Definitions. In this chapter, unless the context requires otherwise,

- (1) "commissioner" means the commissioner of community and economic development;
- (2) "department" means the Department of Community and Economic Development;
- (3) "governing body" has the meaning given in AS 29.71.800, and includes a governing board described in AS 29.60.365;
- (4) "municipality" has the meaning given in AS 29.71.800, as modified by AS 29.60.375;
- (5) "unincorporated community" has the meaning given in AS 29.60.140. (Eff./2003, Register 167)

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Authority: AS 44.33.020